

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 212

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO THE INDIGENT SICK; AMENDING SECTION 31-3502, IDAHO CODE, TO REVISE A DEFINITION AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 31-3503, IDAHO CODE, TO REVISE THE POWERS AND DUTIES OF THE COUNTY COMMISSIONERS; AMENDING SECTION 31-3503A, IDAHO CODE, TO REVISE THE LIMIT ON PAYMENT BY A COUNTY FOR CERTAIN RESIDENTS; AMENDING SECTION 31-3505B, IDAHO CODE, TO REVISE A MONETARY LIMIT ON COUNTY RESPONSIBILITY; AMENDING SECTION 31-3517, IDAHO CODE, TO REVISE COUNTY MONETARY RESPONSIBILITY PER CLAIM AND TO MAKE A TECHNICAL CORRECTION; AND AMENDING SECTION 31-3519, IDAHO CODE, TO REVISE THE CLAIM AMOUNT REQUIRED TO BE FORWARDED BY THE CLERK TO THE BOARD OF THE CATASTROPHIC HEALTH CARE COST PROGRAM.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 31-3502, Idaho Code, be, and the same is hereby amended to read as follows:

31-3502. DEFINITIONS. As used in this chapter, the terms defined in this section shall have the following meaning, unless the context clearly indicates another meaning:

(1) "Applicant" means any person who is requesting financial assistance under this chapter.

(2) "Application" means an application for financial assistance pursuant to section 31-3504, Idaho Code, and the uniform form used for the initial review and the department's medicaid eligibility determination described in section 31-3503C(4), Idaho Code.

(3) "Board" means the board of the catastrophic health care cost program, as established in section 31-3517, Idaho Code.

(4) "Case management" means coordination of services to help meet a patient's health care needs, usually when the patient has a condition that requires multiple services.

(5) "Catastrophic health care costs" means the cost of medically necessary drugs, devices and services received by a recipient that, when paid at the then existing reimbursement rate, in aggregate exceed the sum of ~~eleven~~ twelve thousand dollars (\$~~11~~2,000) in any twelve (12) consecutive month period.

(6) "Clerk" means the clerk of the respective counties or his or her designee.

(7) "County commissioners" means the board of county commissioners in their respective counties.

(8) "County hospital" means any county approved institution or facility for the care of sick persons.

(9) "Department" means the department of health and welfare.

1 (10) "Dependent" means any person whom a taxpayer could claim as a de-
2 pendent under the income tax laws of the state of Idaho.

3 (11) "Emergency service" means a service provided for a medical condi-
4 tion in which sudden, serious and unexpected symptoms of illness or injury
5 are sufficiently severe to necessitate or call for immediate medical care,
6 including, but not limited to, severe pain, that the absence of immediate
7 medical attention could reasonably be expected by a prudent person who pos-
8 sesses an average knowledge of health and medicine, to result in:

9 (a) Placing the patient's health in serious jeopardy;

10 (b) Serious impairment to bodily functions; or

11 (c) Serious dysfunction of any bodily organ or part.

12 (12) "Hospital" means a facility licensed and regulated pursuant to
13 sections 39-1301 through 39-1314, Idaho Code, excluding state institutions.

14 (13) "Medicaid eligibility review" means the process used by the de-
15 partment to determine whether a person meets the criteria for medicaid cov-
16 erage.

17 (14) "Medical home" means a model of primary and preventive care deliv-
18 ery in which the patient has a continuous relationship with a personal physi-
19 cian in a physician directed medical practice that is whole person oriented
20 and where care is integrated and coordinated.

21 (15) "Medically indigent" means any person who is in need of necessary
22 medical services and who, if an adult, together with his or her spouse,
23 or whose parents or guardian if a minor, does not have income and other
24 resources available to him from whatever source sufficient to pay for neces-
25 sary medical services. Nothing in this definition shall prevent the board
26 and the county commissioners from requiring the applicant and obligated per-
27 sons to reimburse the county and the catastrophic health care costs program,
28 where appropriate, for all or a portion of their medical expenses, when in-
29 vestigation of their application pursuant to this chapter, determines their
30 ability to do so.

31 (16) A. "Necessary medical services" means health care services and
32 supplies that:

33 (a) Health care providers, exercising prudent clinical judgment,
34 would provide to a person for the purpose of preventing, evalu-
35 ating, diagnosing or treating an illness, injury, disease or its
36 symptoms;

37 (b) Are in accordance with generally accepted standards of medi-
38 cal practice;

39 (c) Are clinically appropriate, in terms of type, frequency, ex-
40 tent, site and duration and are considered effective for the cov-
41 ered person's illness, injury or disease;

42 (d) Are not provided primarily for the convenience of the person,
43 physician or other health care provider; and

44 (e) Are not more costly than an alternative service or sequence of
45 services or supply, and at least as likely to produce equivalent
46 therapeutic or diagnostic results as to the diagnosis or treatment
47 of the person's illness, injury or disease.

48 B. Necessary medical services shall not include the following:

49 (a) Bone marrow transplants;

50 (b) Organ transplants;

- (c) Elective, cosmetic and/or experimental procedures;
- (d) Services related to, or provided by, residential, skilled nursing, assisted living and/or shelter care facilities;
- (e) Normal, uncomplicated pregnancies, excluding ~~caesarean~~ cesarean section, and childbirth well-baby care;
- (f) Medicare copayments and deductibles;
- (g) Services provided by, or available to, an applicant from state, federal and local health programs;
- (h) Medicaid copayments and deductibles; and
- (i) Drugs, devices or procedures primarily utilized for weight reduction and complications directly related to such drugs, devices or procedures.

(17) "Obligated person" means the person or persons who are legally responsible for an applicant.

(18) "Primary and preventive health care" means the provision of professional health services that include health education and disease prevention, initial assessment of health problems, treatment of acute and chronic health problems and the overall management of an individual's health care services.

(19) "Provider" means any person, firm, or corporation certified or licensed by the state of Idaho or holding an equivalent license or certification in another state, that provides necessary medical services to a patient requesting a medically indigent status determination or filing an application for financial assistance.

(20) "Recipient" means an individual determined eligible for financial assistance under this chapter.

(21) "Reimbursement rate" means the unadjusted medicaid rate of reimbursement for medical charges allowed pursuant to title XIX of the social security act, as amended.

(22) "Resident" means a person with a home, house, place of abode, place of habitation, dwelling or place where he or she actually lived for a consecutive period of thirty (30) days or more within the state of Idaho. A resident does not include a person who comes into this state for temporary purposes, including, but not limited to, education, vacation, or seasonal labor. Entry into active military duty shall not change a person's residence for the purposes of this chapter. Those physically present within the following facilities and institutions shall be residents of the county where they were residents prior to entering the facility or institution:

- (a) Correctional facilities;
- (b) Nursing homes or residential or assisted living facilities;
- (c) Other medical facility or institution.

(23) "Resources" means all property, whether tangible or intangible, real or personal, liquid or nonliquid, or pending, including, but not limited to, all forms of public assistance, crime victims compensation, worker's compensation, veterans benefits, medicaid, medicare, supplemental security income (SSI), third party insurance, other available insurance and any other property from any source for which an applicant and/or an obligated person may be eligible or in which he or she may have an interest. Resources shall include the ability of an applicant and obligated persons to pay for necessary medical services, excluding any interest charges, over a period

1 of up to five (5) years. For purposes of determining approval for medical
 2 indigency only, resources shall not include the value of the homestead on
 3 the applicant or obligated person's residence, a burial plot, exemptions for
 4 personal property allowed in section 11-605(1) through (3), Idaho Code, and
 5 additional exemptions allowed by county resolution.

6 (24) "Third party applicant" means a person other than an obligated per-
 7 son who completes, signs and files an application on behalf of a patient. A
 8 third party applicant who files an application on behalf of a patient pur-
 9 suant to section 31-3504, Idaho Code, shall, if possible, deliver a copy of
 10 the application to the patient within three (3) business days after filing
 11 the application.

12 (25) "Utilization management" means the evaluation of medical neces-
 13 sity, appropriateness and efficiency of the use of health care services,
 14 procedures and facilities and may include, but is not limited to, preadmis-
 15 sion certification, the application of practice guidelines, continued stay
 16 review, discharge planning, case management, preauthorization of ambula-
 17 tory procedures, retrospective review and claims review.

18 SECTION 2. That Section 31-3503, Idaho Code, be, and the same is hereby
 19 amended to read as follows:

20 31-3503. POWERS AND DUTIES OF COUNTY COMMISSIONERS. The county com-
 21 missioners in their respective counties shall, under such limitations and
 22 restrictions as are prescribed by law:

23 (1) Care for and maintain the medically indigent residents of their
 24 counties as provided in this chapter up to ~~eleven~~ twelve thousand dollars
 25 (\$11~~2~~,000) per claim in the aggregate over a consecutive twelve (12) month
 26 period with the remainder being paid by the state catastrophic health care
 27 cost program pursuant to section 31-3519, Idaho Code.

28 (2) Have the right to contract with providers, transfer patients, nego-
 29 tiate provider agreements, and all other powers incident to the county's du-
 30 ties created by this chapter.

31 (3) Cooperate with the department, the board and contractors retained
 32 by the department or the board to provide services including, but not limited
 33 to, medicaid eligibility review and utilization management on behalf of the
 34 counties and the board.

35 (4) Have the jurisdiction and power to provide county hospitals and
 36 public general hospitals for the county and others who are sick, injured,
 37 maimed, aged and infirm and to erect, enlarge, purchase, lease, or otherwise
 38 acquire, and to officer, maintain and improve hospitals, hospital grounds,
 39 nurses' homes, shelter care facilities and residential or assisted living
 40 facilities as defined in section 39-3301, Idaho Code, superintendent's
 41 quarters, medical clinics, as that term is defined in section 39-1319, Idaho
 42 Code, medical clinic grounds or any other necessary buildings, and to equip
 43 the same, and to replace equipment, and for this purpose said commissioners
 44 may levy an additional tax of not to exceed six hundredths percent (.06%) of
 45 the market value for assessment purposes on all taxable property within the
 46 county. The term "public general hospitals" as used in this subsection shall
 47 be construed to include nursing homes.

SECTION 3. That Section 31-3503A, Idaho Code, be, and the same is hereby amended to read as follows:

31-3503A. POWERS AND DUTIES OF THE BOARD. The board shall, under such limitations and restrictions as are prescribed by law:

(1) Pay for necessary medical services for a resident medically indigent person where the reimbursement rate for the claim exceeds in aggregate the sum of ~~eleven~~ twelve thousand dollars (\$~~11~~2,000) during a consecutive twelve (12) month period;

(2) Cooperate with the department, respective counties of the state and contractors retained by the department or county commissioners to provide services including, but not limited to, eligibility review and utilization management on behalf of the counties and the board;

(3) Require, as the board deems necessary, annual reports from each county and each hospital and provider including, but not limited to, the following:

(a) From each county and for each applicant:

(i) Case number and the date services began;

(ii) Age;

(iii) Residence;

(iv) Sex;

(v) Diagnosis;

(vi) Income;

(vii) Family size;

(viii) Amount of costs incurred including provider, legal and administrative charges;

(ix) Approval or denial; and

(x) Reasons for denial.

(b) From each hospital:

(i) 990 tax forms or comparable information;

(ii) Cost of charges where charitable care was provided; and

(iii) Administrative and legal costs incurred in processing claims under this chapter.

SECTION 4. That Section 31-3505B, Idaho Code, be, and the same is hereby amended to read as follows:

31-3505B. APPROVAL. The county commissioners shall approve an application for assistance if it determines that necessary medical services have been or will be provided to a medically indigent person in accordance with this chapter; provided, the amount paid by the county for any medically indigent resident shall not exceed in aggregate the sum of ~~eleven~~ twelve thousand dollars (\$~~11~~2,000) per applicant for any consecutive twelve (12) month period.

SECTION 5. That Section 31-3517, Idaho Code, be, and the same is hereby amended to read as follows:

31-3517. ESTABLISHMENT OF A CATASTROPHIC HEALTH CARE COST PROGRAM. (1) The governing board of the catastrophic health care cost program created by the counties pursuant to a joint exercise of powers agreement,

1 dated October 1, 1984, and serving on June 30, 1991, is hereby continued as
 2 such through December 31, 1992, to complete the affairs of the board, to
 3 continue to pay for those medical costs incurred by participating counties
 4 prior to October 1, 1991, until all costs are paid or the moneys in the cata-
 5 strophic health care cost account contributed by participating counties are
 6 exhausted, and to pay the balance of such contributions back to the county
 7 of origin in the proportion contributed. County responsibility shall be
 8 limited to the first ~~eleven~~ twelve thousand dollars (\$~~112~~,000) per claim.
 9 The remainder of the eligible costs of the claim shall be paid by the state
 10 catastrophic health care cost program.

11 (2) Commencing October 1, 1991, a catastrophic health care cost program
 12 board is hereby established, and the board shall be the administrator of the
 13 catastrophic health care cost program. This board shall consist of twelve
 14 (12) members, with six (6) county commissioners, one (1) from each of the six
 15 (6) districts or regions established by the Idaho association of counties,
 16 four (4) members of the legislature, with one (1) each being appointed by the
 17 president pro tempore of the senate, the leader of the minority party of the
 18 senate, the speaker of the house of representatives and the leader of the mi-
 19 nority party of the house of representatives, one (1) member appointed by
 20 the director of the department of health and welfare, and one (1) member ap-
 21 pointed by the governor.

22 (a) The county commissioner members shall be elected by the county com-
 23 missioners of the member counties of each district or region, with each
 24 board of county commissioners entitled to one (1) vote. The process
 25 and procedures for conducting the election and determining the members
 26 shall be determined by the board itself, except that the election must
 27 be conducted, completed and results certified by December 31 of each
 28 year in which an election for members is conducted. The board recog-
 29 nized in subsection (1) of this section shall authorize and conduct the
 30 election in 1991.

31 (b) The term of office of a member shall be two (2) years, commencing
 32 on January 1 next following election or appointment, except that for
 33 commissioner members elected in 1991, the commissioner members from
 34 districts or regions 1, 3 and 5 shall serve for a term of one (1) year,
 35 and the commissioner members from districts or regions 2, 4 and 6 shall
 36 serve for a term of two (2) years. Members may be reelected or reap-
 37 pointed. Election or appointment to fill vacancies shall be for the
 38 balance of the unexpired term.

39 (c) The member appointed by the governor shall be reimbursed as pro-
 40 vided in section 59-509(b), Idaho Code, from the catastrophic health
 41 care cost account.

42 (d) At the first meeting of the board in January of each year, the board
 43 shall organize by electing a chair, a vice-chair, and such other offi-
 44 cers as desired.

45 (3) The legislative council shall cause a full and complete audit of
 46 the financial statements of the program as required in section 67-702, Idaho
 47 Code.

48 (4) The board shall submit a request to the governor and the legislature
 49 in accordance with the provisions of chapter 35, title 67, Idaho Code, for an

1 appropriation for the maintenance and operation of the catastrophic health
2 care cost program.

3 SECTION 6. That Section 31-3519, Idaho Code, be, and the same is hereby
4 amended to read as follows:

5 31-3519. PAYMENT FOR SERVICES. Each board of county commissioners
6 shall make payments to hospitals or providers for necessary medical services
7 provided to the medically indigent as follows:

8 (1) Upon receipt of a final determination by the county commissioners
9 approving an application for financial assistance under the provisions of
10 this chapter, an applicant, a hospital or provider, or the third party on be-
11 half of the applicant, shall, within sixty (60) days, submit a county claim
12 pursuant to the procedures provided in chapter 15, title 31, Idaho Code.

13 (2) Payment shall be made to hospitals or providers on behalf of an ap-
14 plicant and shall be made on the next payment cycle. In no event shall pay-
15 ment be delayed longer than sixty (60) days from receipt of the county claim.

16 (3) Payment to a hospital or provider pursuant to this chapter shall be
17 payment of the debt in full and the hospital or provider shall not seek addi-
18 tional funds from the applicant.

19 (4) In no event shall a county be obligated to pay a claim, pursuant to
20 this chapter, in an amount which exceeds the reviewed claim as determined by
21 the department's utilization management program.

22 (5) The clerk shall forward claims exceeding ~~eleven~~ twelve thousand
23 dollars (\$~~112~~,000) per recipient in a consecutive twelve (12) month period
24 to the board within fourteen (14) days after approval of an application along
25 with a statement of which costs the clerk has or intends to pay.

26 (6) The board shall, within forty-five (45) days after approval by the
27 board, submit the claim to the state controller for payment.